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Message Text

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20
ACTION IO-11

INFO OCT-01 EA-07 ISO-00 AF-06 ARA-06 EUR-12 NEA-10 L-03

FRB-03 OMB-01 ITC-01 SP-02 AGR-05 AID-05 CIAE-00

COME-00 EB-07 INR-07 LAB-04 NSAE-00 OIC-02 SIL-01

STR-04 TRSE-00 CIEP-01 CEA-01 FEA-01 OES-03 PA-01

PRS-01 USIA-06 /112 W
---------- 042775
P R 040944Z FEB 76
FM AMEMBASSY MANILA
TO SECSTATE WASHDC PRIORITY 1852
INFO USDEUS MISSION GENEVA
USMISSION USUN
USEC BRUSSELS 0184
AMEMBASSY COLOMBO
AMEMBASSY NAIROBI

C O N F I D E N T I A L MANILA 1801

E. O. 11652: GDS
TAGS: EGEN, UNCTAD, RP
SUBJECT: UNCTAD: GROUP OF 77 MEETING - DELEGATION COMMENTS ON PROGRESS

1. SUMMARY. ACCORDING TO SOME GROUP OF 77 SOURCES, THE MINISTERIAL MEETING OF THE GROUP OF 77 IS BECOMING BOGGED DOWN IN SPEECHIFYING AND IS HAVING TROUBLE COMING TO GRIPS WITH THE TASK OF RESOLVING ISSUES IN WHICH THE SENIOR OFFICIALS WERE UNABLE TO REACH A CONSENSUS. THESE SOURCES SAY THAT THERE MAY BE FEW CONCRETE PROPOSALS WHICH CAN FORM THE BASIS OF FRUITFUL TALKS WITH THE DEVELOPED, SINCE THE DEVELOPING THEMSELVES FIND THAT SELF-INTEREST STILL OVERRIDES THEIR COMMON PROBLEM OF BEING BORN POOR IN A WORLD THEY PERCEIVE AS DOMINATED BY THE RICH. END SUMMARY.

2. ACCORDING TO KOREAN AND BRAZILIAN DELEGATION AND
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UNDP REPRESENTATIVE, IT APPEARS QUESTIONABLE WHETHER, AS

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THE GROUP 77 CONFERENCE ENTERS ITS FINAL STAGES, IT WILL
BE ABLE TO FINISH ITS WORK ON TIME AND IN AN ORDERLY
FASHION, THEY ALSO DOUBT WHETHER IT CAN COME UP WITH
CONCRETE PROPOSALS WHICH WILL ENABLE FRUITFUL NEGOTIATIONS
AT ANIROBI. THESE VIEWS ARE SHARED TO SOME DEGREE BY
COLOMBIAN DELEGATION AND BY FRENCH GOVERNMENT OFFICIAL
SENT HERE FROM PARIS SPECIFICALLY TO COVER MEETING.
FOLLOWING THE SECOND DAY OF THE THIRD MINISTERIAL CONFERENCE
(FEBRUARY 3) FOREIGN SECRETARY CARLOS P. ROMULO ALSO
COMPLAINED MILDLY TO AMBASSADOR THAT HE HAD HAD TO ORDER
EVENING SESSIONS IN VIEW OF THE LARGE NUMBER OF HEADS OF
DELEGATIONS STILL WISHING TO MAKE GENERAL STATEMENTS. WHILE
THE AFRICANS HAD AGREED WITH HIS SUGGESTION TO SCRAP THE
SPEECHES, THE ASIANS AND LATIN AMERICANS OPPOSED THE MOVE.
ALTHOUGH ROMULO WAS ABLE TO GAIN ACCEPTANCE OF A 15 MINUTE
TIME LIMIT TO ACCOMODATE THE 50 DELEGATIONS SEEKING THE
PODIUM, AT LEAST 15 HOURS IS LIKELY TO BE CONSUMED IN THIS FASHION.

3. OF EQUALLY SERIOUS CONSEQUENCE IN THE VIEW OF THESE
DELEGATIONS IS THE FACT THAT THE FOUR WORKING GROUPS OF
THE SENIOR OFFICIALS MEETING FAILED TO REACH AGREEMENT ON
SEVERAL MAJOR ISSUES. AMONG THESE WERE COMMODITIES
(INCLUDING BUFFER STOCKS), GENERALIZATION OF PREFERRED
ACCESSES (LOME CONVENTION), DEBT REDEMPTION BANK, AND
INSTITUTIONAL ARRANGEMENTS. REPORT OF SENIOR OFFICIALS
MEETING INDICATING AREAS OF DISAGREEMENT BEING POUCHED
(77/MM (III)/12 FEBRUARY 1, 1976).

4. COMMODITIES. IT HAS BECOME INCREASINGLY APPARENT THAT
MOST COUNTRIES PREFER SPECIFIC COMMODITY ARRANGEMENTS
RATHER THAN AN ALL-ENCOMPASSING SCHEME WHICH WOULD
PROVIDE WHAT THEY VIEW AS OVERLY LIBERAL TREATMENT OF
NEW PRODUCERS. FEW DELEGATIONS APPARENTLY SERIOUSLY
BELIEVE THAT THE MEETING WILL RESULT IN SIGNIFICANT
MOVEMENT TOWARD CONSENSUS ON COMMODITIES, EXCEPT PERHAPS
ON AN AGREEMENT TO PROCEED WITH PREPARING AN AGREED LIST
OF PRIORITY COMMODITIES. ON OTHER HAND, IT SEEMS GENERALLY
ASSUMED THAT THE OPEC COUNTRIES WILL CONTRIBUTE $800 MILLION
FOR A BUFFER STOCK SCHEME. SENIOR OFFICIALS REPORT ON
COMMODITIES SOUGHT TO PAPER OVER DIFFERENCES BY QUOTING
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UNGA RESOLUTION 3362 (S-VII), SECTION V, PARAS 1-2.

4. ON MANUFACTURES AND SEMI-MANFACTURES, AFRICANS
ADAMANTLY REFUSED ASIAN PROPOSAL TO GENERALIZE PREFERRED
ACCESS TO THE EEC PROVIDED BY LOME CONVENTION, SOUTH AMERICAN/
CARIBBEAN REACTION WAS SPLIT BETWEEN SPANISH
SPEAKING AND ENGLISH SPEAKING COUNTRIES, WITH LATTER SIDING
WITH THE AFRICANS. ALSO, INDIVIDUAL COUNTRIES BENEFITTING

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FROM PREVIOUS OR PROSPECTIVE BILATERAL PREFERENCES
SILENTLY LINED UP WITH AFRICANS. GOP'S BRILLANTES WAS QUOTED
IN PRESS TO THE EFFECT THAT, SIMPLY BECAUSE CERTAIN COUNTRIES
ENJOYED SPECIAL BENEFITS, OTHERS SHOULD NOT SEEK TO
DEPRIVE THEM.

5. DEBT REDEMPTION BANK (IBDR) A PET PROJECT OF THE
AFRICANS, IS ENCOUNTERING OPPOSITION FROM THE ORE
DEVELOPED OF THE DEVELOPING WHO ARE EITHER CONCERNED
WITH THEIR INTERNATIONAL CREDIT RATING OR BELIEVE THAT
PRESENT INTERNATIONAL FINANCIAL STRUCTURE IS VIABLE PROVIDED
IT IS SKEWED FURTHER IN THIS DIRECTION. THESE MORE
DEVELOPED MAY SUPPORT A CONFERENCE BETWEEN CREDITORS
AND "INTERESTED COUNTRIES" IN LIEU OF THE SO-CALLED
DEBT REDEMPTION BANK. IN THIS CONNECTION, ALTHOUGH THE MANILA
PRESS PLAYED UP A REPORTED GOP OFFER TO HOUSE THE BANK IN
MANILA, GOP DOES NOT APPEAR FULLY TO HAVE SUPPORTED IBDR.
COLOMBIAN DELEGATION SAYS LATINS OPPOSE AFRICANS, AND
WHILE THEY VIEW RESULTS OF JAMAICA MEETING AS FALLING FAR
SHORT OF TARGET, THEY AGREE IT WAS STEP IN RIGHT DIRECTION.
COLUMBIANS SAY WHAT LATINS WANT IS MUCH GREATER VOICE IN IMF/IBRD.

6. INSTITUTIONAL ARRANGEMENTS. WE HAVE NOT OBTAINED A
CLEAR READING AS TO THE DIRECTION OF THE CONFERENCE ON THIS
ISSUE, EXCEPT FOR THE FACT THAT THERE APPEARS TO BE
VIRTUALLY NO SUPPORT FOR THE WORLD TRADE ORGANIZATION
WHICH PRESIDENT MARCOS PROPOSED IN HIS OPENING ADDRESS.
MANY DELGATIONS OPPOSE WOTRADO BECAUSE IT WOULD MEAN
THAT THEY WOULD HAVE TO RAISE THEIR OWN FUNDS AND WOULD
ATTENUATE UNCTAD'S TIES WITH THE UN BUDGET AND THE UNGA,
AND WOULD NOT HAVE THE SUPPORT OF THE DEVELOPED COUNTRIES.
FRENCH, INCIDENTALLY, APPEAR CONCERNED THAT PURSUIT OF
THIS PROPOSED WILL WEAKEN GATT. PRESIDENT MARCOS ALSO
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PROPSOED THE CREATION OF TWES - THIRD WORLD ECONOMIC
SYSTEM. WHILE TWES MAY BE A VARIATION OF THE NEW
ECONOMIC ORDER, IT HAS BEEN TAKEN AS HAVING ANTECEDENTS
IN A PREVIOUS MEXICAN IDEA. ACCORDING TO A BRAZILIAN
DELGATION OFFICER, TWES HAS ALMOST NO SUPPORT.

7. OPEC APPEARS TO BE UNDERGOING CLOSER SCRUTINY, BUT
THERE IS STILL A RELUCATNACE TO DISCUSS ITS IMPACT OPENLY.
SURPRISINGLY, DURING THE SENIOR OFFICIALS MEETING,
MEXICO PROPOSED COOPERATION IN ENERGY TO WHICH IRAN,
SUPPORTED BY IRAQ, REPORTED TO HAVE REACTED SHARPLY. EVENTUALLY
THE CONCEPT WAS WATERED DOWN TO TECHNICAL COOPERATION.
DISCUSSION ON THIS ISSUE, ACCORDING TO ROK DELOFF, WAS
CURSORY, BUT THE DISAGREEMENT ON "TECHNICAL" VERSUS FULL
COOPERATION IS REFLECTED IN THE SENIOR OFFICIALS REPORT.

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8. EMBASSY SOURCES AGREE THAT THE SENIOR OFFICIALS MEETING
WAS QUITE BUSINESS-LIKE, AND THERE WERE FEW HISTRIONICS,
IN CONTRAST WITH WHAT NOW APPEARS TO BE THE CASE WITH THE
GENERAL STATEMENTS EMINATING FROM THE MINISTERIAL MEETING.
THERE WERE NO DIATRIBES AGAINST SPECIFIC COUNTRIES, ALTHOUGH
THE TONE OF DISCUSSION WAS PREDICATED UPON RESENTMENT AND
ENVY OF THE DEVELOPED COUNTRIES. MINISTERIAL MEETING IS
MORE CRITICAL OF THE DEVELOPED WORLD. WHAT IS ALSO EMERGING IS
THAT THE MORE DEVELOPED AND MORE SOPHISTICATED OF THE
GROUP ARE BEGINNING TO DISTANCE THEMSELVES FROM THE RADI-
CALS AND THE MALCONTENTS. AS FAR AS THE PHILIPPINES IS
CONECENED, A CLEAR INDICATION OF THE GOP'S PERCEPTION OF
ITS INTERESTS IS THE HANDLING OF THE CONFERENCE BY THE
GOVERNMENT-CONTROLLED PRESS - BALANCED AND CAREFULLY
EDITED AS FAR AS THE MORE INFLAMATORY SPEECHES ARE
CONCERNED. FOR EXAMPLE, WHILE LEFTIST PERSIAN FOREIGN
MINISTER DE LA FLOR WAS TYPICALLY EXTREME IN HIS REMARKS,
MANILA PRESS EMPHASIZED ONLY THAT PORTION OF HIS SPEECH
IN WHICH HE CALLED FOR COOPERATION RATHER THAN CONFRONTA-
TION WITH THE WEST.
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